

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ELIHU-RUSH BRANCH WATER)	
ASSOCIATION OF PULASKI COUNTY, KENTUCKY,)	CASE NO.
FOR ORDER APPROVING CONSTRUCTION, FINANCING,)	93-219
CERTIFICATE OF PUBLIC CONVENIENCE AND)	
NECESSITY, AND INCREASED RATES)	

O R D E R

On June 15, 1993, Elihu-Rush Branch Water Association ("Elihu-Rush Branch") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,549,100 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide service to 160 additional customers. Project funding includes a \$459,000 loan from the Farmers Home Administration ("FmHA"), a \$1,040,500 grant from FmHA, and \$49,600 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

Elihu-Rush Branch's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water associations and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given

that minimum filing requirements were met in this case on June 29, 1993, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Elihu-Rush Branch is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Elihu-Rush Branch's proposed plan of financing with FmBA is accepted.

3. Elihu-Rush Branch shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

5. Elihu-Rush Branch shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

6. Elihu-Rush Branch shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Elihu-Rush Branch shall take immediate action to bring the system into compliance with Commission regulations.

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-219 DATED July 16, 1993.

The following rates and charges are prescribed for the customers in the area served by Elihu-Rush Branch Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

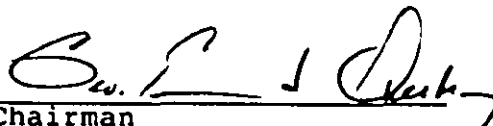
Monthly Rate:

First 2,000 gallons	\$12.78 Minimum Bill
Next 3,000 gallons	5.08 per 1,000 gallons
Next 5,000 gallons	4.43 per 1,000 gallons
Over 10,000 gallons	3.25 per 1,000 gallons

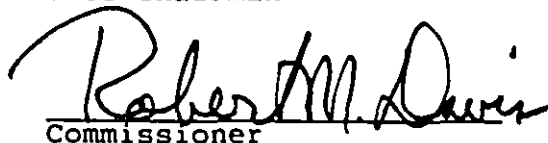
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 16th day of July, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director